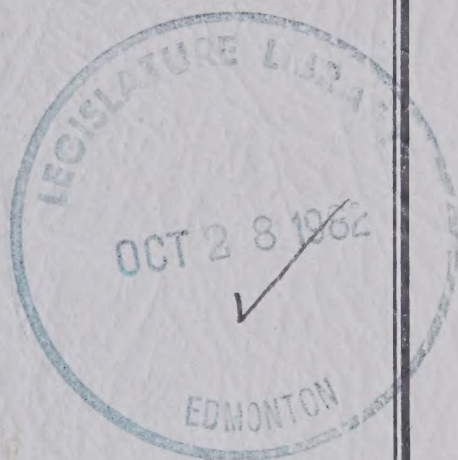


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LEGISLATIVE ASSEMBLY



# Budget Speech

OF

THE HON. A. O. AALBORG

TREASURER OF THE PROVINCE OF ALBERTA

DELIVERED AT THE SECOND SESSION  
OF THE

## Sixteenth Legislature

OF THE PROVINCE OF ALBERTA

# 1969

IN THE

## Legislative Assembly of Alberta

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF  
FINANCIAL AND GENERAL INFORMATION

PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

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# Budget Speech

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# 1969 BUDGET SPEECH

MR. SPEAKER:

This is the fifth occasion on which I rise to propose the time honored motion that you do now leave the Chair and that this assembly resolve itself into a Committee of Supply for the consideration of sums to be granted to Her Majesty.

May I begin with a warm tribute to our Premier, the Honourable Harry Strom on his elevation to the highest elective office in the Province, and by wishing him great success and happiness in leading the people of Alberta and their Government into a new era of progress and achievement. It is indeed a rare privilege for me and one which I deeply appreciate to present to this Assembly the first of the many Budgets which I am sure Premier Strom's Government will be bringing down here in the years that lie ahead!

Because the Budget which I now present is the first from Premier Strom's Government, and also the Budget which occurs at the end of the present decade it may be of interest to the Honourable Members to note some comparisons with the Budgets which were presented to this Assembly at the close of each of the past two decades—the 1940's and the 1950's.

For the fiscal year 1949-50 total revenues were estimated at \$64,232,000 while total expenditures were estimated at \$66,659,000 for a deficit of \$2,427,000.

For the fiscal year 1959-60 total revenues were estimated at \$261,279,000 while total expenditures were estimated at \$309,676,000 for a deficit of \$48,397,000.

For the next fiscal year, 1969-70, total revenues are estimated at \$945,199,000 while total expenditures are estimated at \$979,312,000 for a deficit of \$34,113,000.

It will be seen, therefore, that the Budget for 1969-70 is about fifteen times as large as the Budget of twenty years ago and more than three times as large as the Budget of ten years ago!

Since the Budgets at the end of each of these decades forecast deficits for the year ahead it should be pointed out immediately that during the 1940's deficits were predicted in nine Budgets but did not occur in any of those years; while during the 1950's deficits were predicted again in nine Budgets but actually occurred in one year only.

During the 1960's, however, deficits were forecast in seven fiscal years and actual deficits have already occurred in four fiscal years as set forth in the table below:

Year	Estimated Surplus or Deficit*	Actual Surplus or Deficit*
1960-61 .....	\$ 37,000	\$12,848,000*
1961-62 .....	13,292,000*	1,540,000*
1964-65 .....	2,716,000*	78,727,000
1965-66 .....	22,639,000*	78,521,000
1966-67 .....	68,838,000*	81,749,000*
1967-68 .....	67,476,000*	99,682,000*
1968-69 .....	70,458,000*	—
1969-70 .....	34,113,000*	—



These comparisons clearly and conclusively indicate the urgent need to exercise a growing measure of firm and responsible restraint on expenditures during the 1970's.

In comparing Budgets at the close of each of the past three decades some statistics regarding increases in expenditures for various purposes will be of interest:

	1949-50	1959-60	1969-70
Education .....	\$ 11,999,000	\$ 72,152,000	\$322,916,000
Health .....	11,681,000	63,142,000	216,934,000
Welfare .....	6,726,000	24,389,000	69,749,000
Highways .....	15,687,000	72,152,000	95,525,000

The phenomenal increases in expenditures that have occurred since 1949, and the large deficits that have been experienced during the past decade reveal the rapid progress that has been made in expanding and improving programs of social services. But these trends must also be heeded as a clear and stern warning that if the rate of acceleration of these expenditures is not sharply curtailed during the next decade their growing magnitude will quickly outstrip all revenues available to the Province from present and potential sources.

In his 1949 Budget Speech our former Premier, the Honourable E. C. Manning P.C., then Provincial Treasurer, made the following statement which is even far more pertinent today than it was twenty years ago:

"The ever-increasing demands on all governments for new and extended social and public services, while fully justified within proper limits, are indicative of a current trend fraught with serious ultimate consequences."

Mindful of the disturbing trends which have been developing during the 1960's and with the objective of maintaining the strength of the sound and healthy financial position which Alberta has enjoyed for more than two decades the following guidelines have been observed in preparing the Budget for the fiscal year ahead:

1. Increase in expenditures should be kept well within increases in revenues available from present sources with careful attention to the very high priority which the Government attaches to the development of human resources.
2. Vigorous efforts should be made to further improve efficiency and economy of operation in all government services.
3. New and additional revenues should be collected to help reduce and eventually eliminate the deficit position of annual budgets during the past three years.
4. Some direct borrowing should be used to finance capital expenditures for highways and public buildings.

In keeping with these guidelines estimated expenditures for all purposes for the coming fiscal year, 1969-70, total \$979,312,275 and are \$86,137,790 or slightly less than 10% above the total estimated expenditures for the current fiscal year, 1968-69, in the amount of \$893,174,485. Very substantial increases in the estimates of the Departments of Education and Health account for more than one-half of this estimated increase in expenditures. But in this connection it must also be pointed out that while the



Estimates of both Departments have risen to record levels they must be regarded as only barely sufficient to provide services and facilities which measure up to the high priority assigned to the programs of these two Departments.

The Honourable Members may recall that in the 1968 Budget Speech I stated that it then already appeared certain that in preparing the Budget for the fiscal year 1969-70 very serious consideration would have to be given to introducing one or more substantial new forms of taxation. This forecast has regrettably proven to be accurate. It is proposed, therefore, to introduce a new tax on tobacco products; to increase personal income tax by five percentage points; and, to increase corporation income tax by one percentage point. These new tax measures will be discussed in more detail later in this Speech.

Estimated revenues from all sources for the coming fiscal year total \$945,199,460 and are \$122,483,085 or nearly 15% greater than total estimated revenues for the current fiscal year in the amount of \$822,716,375. Of the total estimated increase in revenues amounting to \$122,483,085 new and additional sources will provide \$22,500,000 and the balance of slightly less than \$100,000,000 will come from present sources.

When total estimated revenues are compared with total estimated expenditures it will be seen that there is an over-all deficit of \$34,112,815 as compared with an over-all estimated deficit of \$70,458,100 for the current fiscal year. This deficit will be paid in the main from direct borrowing and by some withdrawal from our remaining reserves.

May I now turn your attention to various aspects of our economy for the year 1968.

## **AGRICULTURE**

Crop conditions varied considerably during 1968. Despite an early set-back due to dry weather, good general rains in August brought crops along rapidly and prospects were for an above average yield. However, a wet fall made harvesting difficult and reduced yields and grades. Although nearly 90% of the crops were harvested at somewhat better than average yields, much of the grain was harvested in damp or tough condition.

With a good livestock market, particularly in cattle, the over-all cash income to farmers in 1968 will remain fairly constant at about three-quarters of \$1 billion.

The PRIME program, with the Federal Government participating at a level equal to the three Prairie Provinces, is progressing favorably towards the development and conservation of water resources in the West. The Saskatchewan Nelson River Basin Study was commenced, as well as economic studies on other drainage and water development systems. A significant step came with the announcement of the Bighorn Dam Development, which together with the Brazeau Dam, will aid in stabilizing the flow of the North Saskatchewan River to the benefit of pollution control and economic development.

## **NATURAL RESOURCES**

Continual growth and development in the Alberta gas and oil industry in 1968 were evidenced by the value of production exceeding one billion dollars for the first time in the history of the Province. All products showed a gratifying increase as is illustrated in the following table:



	1967		1968	
	Production	Value \$ Million	Production	Value \$ Million
*Crude oil—millions of bbls. ....	259.5	\$ 663.4	282.5	\$ 723.5
Natural gas—billions of cu. ft. ....	960.0	145.6	1,100.0	165.5
Propane—millions of bbls. ....	12.8	21.0	14.6	21.2
Butane—millions of bbls. ....	8.3	11.8	9.6	12.8
Sulphur—millions of long tons ....	2.1	64.9	2.9	84.0
		<u>\$ 906.7</u>		<u>\$1,007.0</u>

\*includes pentanes plus.

Footage drilled—a good measure of activity—increased from 7.8 to 8.8 million feet.

Well completions in the Province totalled 1955, an increase of 89 over 1967. At the end of 1968 there were 13,760 oil wells, 2,350 producing gas wells and 1,600 capped gas wells. Reserves at December 31, 1967 were 8.49 billion barrels of crude oil and gas liquids, 39.7 trillion cubic feet of natural gas and 117.3 million long tons of sulphur.

Eight new gas processing plants went into production in 1968, bringing the total number of these plants to 104.

Exports of crude oil and pentanes plus to the United States increased by 15 million barrels to a total of 137.6 million barrels in 1968, and gas exports to the same country totalled 473 billion cubic feet, 15% higher than in 1967. This trend is expected to continue in 1969.

Production of coal during 1968 increased by 10% to nearly 4 million tons. During the year three long-term contracts for the export of coking coal to Japan were negotiated and substantial increases in production can be expected in the future.

The somewhat depressed condition in the pulp and paper markets resulted in a decrease of 10% in production from our forest products. However, there is good reason to believe that better conditions will prevail in 1969 both in production and prices.

Last year we experienced the most serious fire year in Alberta's history. Approximately 1,500 square miles of forest land were burned and fire suppression costs exceeded \$5 million. There is a need for better fire control action on fires originating in settled areas and the department will work towards affecting control over such fires which can extend into a forested zone.

There was a continuing growth in the number of acres of public land held under grazing leases and in the number of community pastures.

Increased use of recreational facilities available through development of surface natural resources was in evidence through greater patronage at Provincial Parks and higher numbers of fishing and hunting licenses sold. During the year more than 4 million people visited the parks.

## ALBERTA RESOURCES RAILWAY

Construction of the Alberta Resources Railway from Solomon on the main line of C.N.R. to Grande Prairie, a distance of 235 miles, is practically completed. There remains only some ballasting, surfacing and general clean-up to put the railway in readiness for its operation and official opening in the spring. The total cost of construction will be very close to \$96 million.



With transportation assured in this area, development of the resources is now becoming apparent. McIntyre Porcupine Mines Ltd. has negotiated an agreement with Japanese interests to ship nearly 30 million tons of coking coal from the Smoky River coal fields to Japan over a fifteen year period commencing in 1970. There is a distinct likelihood that the shipments will be substantially increased during the contract term. A feasibility study to build a large pulp mill south of Grande Prairie is being conducted, and a major oil company is planning a sulphur extraction plant near Gold Creek.

With these large projects on the way, there is little doubt that other developments will follow. It takes little imagination to visualize the tremendous economic potential in our northwest region once a means of transportation has been provided.

## INDUSTRIAL DEVELOPMENT

Alberta enjoyed another good business year in 1968, with prospects for 1969 being even better. Practically all aspects of our business, with the exception of Agriculture showed improvement. The following table gives an indication of our economic growth:

	1967	Preliminary 1968
Value of manufacturing shipments .....	\$1,521,000,000	\$1,644,000,000
Construction .....	1,317,000,000	1,537,000,000
Mineral production .....	973,000,000	1,080,000,000
Farm income .....	790,000,000	775,000,000

Labor income again increased by nearly 10% to \$2.3 billion; retail sales were also up by nearly 10% to \$2.1 billion; generation of electric power rose by 12% to 7.6 billion kilowatt hours; and bank debts increased from \$35.2 billion to \$42.3 billion.

There are few hopeful signs that inflation is being checked. It is perhaps understandable that this situation is becoming acceptable by a large portion of our economy because many incomes are adjusted upwards to meet higher costs, and old debts are being paid with a smaller portion of current income, but the situation would become dangerous if our rate of inflation exceeded that of other countries which would price our exports out of foreign markets. Inflation is of course harmful to those people on fixed incomes, and more particularly it is disturbing to the capital markets related to borrowing by fixed-income securities.

With the exception of the uncertainties regarding the marketing of our agricultural products, and keeping in mind the potential dangers of inflation, we can nevertheless look forward to further growth in our economy in 1969 and beyond.

## FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

Two meetings of the Ministers of Finance and Provincial Treasurers were held in Ottawa last November 4 and December 19. The Minister of Finance for Canada emphasized the national need for fiscal strength and stability in the central government. Large government deficits do much to aggravate the inflationary trend, which is harmful not only to Canada's international monetary position, but also nationally to many sectors in the economy, including a deterioration in the money markets for fixed-income investments, reflecting the investor's concern for eroding currencies.



Last October the Federal Budget made provision for tax increases to meet the rising cost to the Federal Government of shared cost programs with the Provinces. In discussing this Budget with Provincial Treasurers at meetings in November and December the Federal Minister of Finance maintained that the tax increases were necessary in order to obtain additional revenues for the Federal Government, and he took the position that if the Provinces needed more revenue they should raise their own taxes.

The Provinces expressed very strong opposition to the Minister's claims to prior taxing needs. They pointed out that the cost of meeting their fiscal responsibilities, including municipalities, is growing at a greater pace than that of the Federal Government and that there is an urgent need for a comprehensive and realistic Federal-Provincial approach to additional revenue resources.

The Federal Minister of Finance suggested that a more useful discussion of this subject could take place after he had introduced a tax reform bill later this year. Recently the Minister has announced that the Federal Government will publish a White Paper on tax reform in June and invite representations from the public and the provinces prior to introducing a tax reform bill.

At both of the meetings with Provincial Treasurers late last year the Minister of Finance for Canada firmly rejected any suggestion that the Federal Medicare Plan be altered or deferred in any way. The Plan is authorized by statute and is now in force.

Several provinces strenuously objected either to the Plan itself or to the inflexibility of the Plan. All Provinces were concerned with the additional costs they would have to assume to participate in the Plan, and deplored the non-sharing aspect of the new Federal surtax to help finance social development programs.

Alberta joined the other provinces in expressing concern at the apparent failure of the Federal Government to recognize the acute problems facing Provincial Governments in financing the rapidly rising costs of social services. We reiterated our objections to the Medicare Plan particularly with respect to the inflexible attitude of the Federal Government in the conditions set out in the Plan. We are of course most interested in the proposed White Paper on Tax Reform and the tax reform bill. We will devote serious study and make representations with respect to both documents as soon as they become available to us.

While the course of Federal-Provincial fiscal relations during the past year has been far from satisfactory to the Provinces, we are hopeful that in the discussions ahead problems can be resolved in the best interests of our country. We will strive towards this end.

## **TREASURY BRANCHES**

Fluctuating money market rates caused by economic conditions on both the national and international scenes, have required all financial institutions to exert every effort and means to keep competitive and healthy. It is the policy of the Treasury Branches to provide financial services not only on a competitive basis, but also in a manner considered appropriate to assist in the Province's stability and growth. Depositors are given a fair return on their deposits, and borrowers, particularly local authorities are charged reasonable rates.



During 1968 the amount on deposit increased by \$27 million to a total of \$188 million with the number of depositors growing from 117 thousand to 128 thousand. The number of borrowers also increased by 5% to nearly 12 thousand with a total of \$96 million on loan.

At the end of 1968 there were 69 branches, 5 sub-branches and 85 agencies in operation in the Province with a new branch scheduled to be opened in Calgary in a few weeks. Other areas are continually being studied for new outlets of our services when conditions are appropriate.

The following statement shows in summary the results of the financial operations of the Treasury Branches for the last two fiscal years.

	Fiscal year ended March 31	
	1967	1968
Total revenue .....	\$ 8,439,932	\$ 10,003,432
Total expenditure .....	6,725,986	8,610,720
	<hr/>	<hr/>
	\$ 1,713,946	\$ 1,392,712
Less: transferred to reserve .....	713,946	392,712
	<hr/>	<hr/>
Net revenue credited to the General Revenue Fund of the Province .....	\$ 1,000,000	\$ 1,000,000
	<hr/>	<hr/>
Reserve Fund .....	\$ 4,791,730	\$ 5,141,067
	<hr/>	<hr/>

## PUBLIC ACCOUNTS — 1967-68

The Public Accounts for the Province for the fiscal year ended March 31, 1968 have been tabled and are available to the public. They provide detailed information on the financial operations of the Government and its agencies for the year under review.

On Income Account the Accounts show total revenue of \$684,513,-625.06 and total expenditure of \$635,121,746.64 resulting in a surplus of \$49,391,878.42 compared to a surplus of \$44,816,012 forecast in my budget for that year.

Capital receipts plus the aforementioned surplus on income account totalled \$115,068,284.20 which fell nearly one hundred million dollars short of financing our extensive capital program of \$214,750,632.84, comprised for the most part of construction of roads and buildings.

The actual over-all shortfall in funds of \$98,682,348.64 is \$31,205,881 more than I had estimated. In presenting my budget for that year I had anticipated substantial public borrowings by the Alberta Resources Railway Corporation to repay advances from the Government. We did not borrow as much as was expected, and the difference was made up from a further withdrawal from our reserves.

## CURRENT FISCAL YEAR

The Interim Financial Statement covering the Government's financial operations, on a cash basis, for the nine months ended December 31, 1968 has been tabled. The Statement shows that all expenditures totalled \$740,037,835 and total receipts amounted to \$656,354,241, resulting in a deficit or net outlay of funds of \$83,683,594. While a deficit of this magnitude is a matter of grave concern, nevertheless it compares very favorably with a deficit of \$141,716,096 at the previous calendar year end.



The improved position is due to very gratifying results from our sales of Crown leases and reservations together with the fact that most other revenue sources at least kept pace with our estimates. There is good reason to believe that further improvement will be achieved by the end of our fiscal year to the point that I feel reasonably assured that our final deficit will be considerably less than the deficit of \$70 million forecast in my budget address one year ago.

## ESTIMATES — FISCAL YEAR ENDING MARCH 31, 1970

Copies of the Estimates of Revenue and Expenditure for the fiscal year ending March 31, 1970 have been tabled and distributed to the Members of the Legislature.

The Estimates are summarized as follows:

### Expenditure:

Income account .....	\$818,963,808	
Capital account .....	145,348,467	
	<hr/>	
	\$964,312,275	
Net statutory payments .....	15,000,000	
	<hr/>	
		\$979,312,275

### Revenue:

Income account .....	\$870,125,275	
Capital account .....	75,074,185	
	<hr/>	
		\$945,199,460
Estimated amount to be provided from reserves and by borrowing .....		<hr/>
		\$ 34,112,815

The total budget of \$979,312,275 is \$86,137,790 or a little less than 10% higher than the total budget of \$893,174,485 which I delivered last year. You will note that we expect to have a surplus of \$51,161,467 on income account, but after bringing in all capital and statutory items, our cash position is estimated to be short by \$34,112,815 which will be obtained from our reserves or from borrowing.

Having regard to the aforementioned estimated cash shortage of \$34,112,815, I should mention that we have negotiated the sale of \$30,000,000 Province of Alberta 7½% debentures in the United States, the proceeds from which will largely cover the shortage.

We have carefully examined the expenditures included in this budget and have provided sums to pay for the many services at a level in keeping with the needs and desires of our people. You will note substantially increased votes for the services provided by the Departments of Attorney General, Education, Lands and Forests, Public Health and Public Welfare, and for rebates of estate taxes and public utility taxes included in the Treasury Department.

To meet the rising costs of these essential services and to improve our budgetary position of the past three years additional revenues are urgently required. In order to obtain these increased revenues we intend to introduce legislation to amend The Alberta Income Tax Act to authorize an additional levy of five percentage points on personal income tax and one percentage point on corporation income, and to enact a tobacco tax which will levy a tax approximately the equivalent of from 16% to 20% on the retail price of cigarettes, cigars and tobacco.



The legislation will contain provision for the income tax amendments to be effective July 1, 1969, and the new tobacco tax to be effective upon a date to be fixed by proclamation not later than August 1, 1969. For the portion of the coming fiscal year for which the new taxation legislation is effective, we expect to receive \$16,500,000 from the additional income tax levy, and \$6,000,000 from the new tobacco tax. For a full year the amounts would be \$22,500,000 and \$10,000,000 respectively.

The Honourable Members will recall that at the last Session the Fuel Oil Tax Act was amended to provide a tax of three cents per gallon in addition to the tax of 12c per gallon where such tax was applicable, and to enlarge the application of the three cent levy to include practically all other users, including farmers, of what is commonly called purple fuel.

Since the present Session of the Legislature convened on February 13th the Government has given further consideration to the application of this tax increase and we have concluded that it would be in the best interests of our farm economy to remove the three cent tax on purple fuel used for farm purposes as soon as it is administratively possible to do so during the fiscal year 1969-70.

Legislation will be introduced proposing this reduction which will result in a decrease in revenue of some \$3,000,000 for a full fiscal year. However, because of the very recent timing of this decision the proposed removal is not reflected in the estimated revenue for the next fiscal year as shown in this Budget.

The following tables show our estimated revenue and expenditure by departments with a comparison to the amounts estimated last year:

### ESTIMATED REVENUE — INCOME ACCOUNT

Department:	Estimates 1969-70	Estimates 1968-69	Increase Decrease*
Agriculture .....	\$ 5,519,500	\$ 5,553,345	\$ 33,845*
Attorney General .....	8,162,000	7,378,700	783,300
Education .....	49,209,730	35,890,640	13,319,090
Executive Council .....	17,600,395	20,303,850	2,703,455*
Highway & Transportation .....	25,055,700	23,956,700	1,099,000
Industry & Tourism .....	387,000	795,000	408,000*
Labour .....	1,337,000	1,210,000	127,000
Lands & Forests .....	10,744,200	7,971,000	2,773,200
Legislation .....	750,000	421,070	328,930
Mines & Minerals .....	272,893,500	242,768,500	30,125,000
Municipal Affairs .....	13,674,470	15,251,060	1,576,590*
Provincial Secretary .....	82,911,750	77,178,810	5,732,940
Health .....	76,858,200	68,103,350	8,754,850
Social Development .....	31,651,670	26,825,700	4,825,970
Public Works .....	2,264,075	2,040,390	223,685
Treasury .....	270,946,915	217,568,460	53,378,455
Youth .....	159,170	189,050	29,880*
Total: Estimated Revenue			
Income Account .....	<u>\$870,125,275</u>	<u>\$753,405,625</u>	<u>\$116,719,650</u>

In addition to the foregoing statement of departmental revenue, I think it would be of interest to show the main sources from which the revenue is obtained and to compare those revenues with last year's figures.



Sources of Revenues	Estimates 1969-70	Estimates 1968-69	Increase Decrease*
The Alberta Income Tax Act .....	\$172,500,000	\$135,000,000	\$ 37,500,000
Fiscal arrangements and subsidies .....	17,273,000	12,421,000	4,852,000
Fuel Oil Tax and Auto Licenses .....	100,421,500	93,875,000	6,546,500
Alberta Liquor Control Board .....	45,311,000	41,500,000	3,811,000
Natural Resources .....	283,539,000	250,676,500	32,862,500
Government of Canada .....	150,331,335	127,451,690	22,879,645
All other sources .....	100,749,440	92,481,435	8,268,005
	<u>\$870,125,275</u>	<u>\$753,405,625</u>	<u>\$116,719,650</u>

## ESTIMATED CAPITAL RECEIPTS

Department	1969-70 Estimates	1968-69 Estimates	Decrease* Increase
Agriculture .....	\$ 2,881,885	\$ 1,361,000	\$ 1,520,885
Highways & Transportation .....	898,000	1,140,500	242,500*
Lands & Forests .....	1,675,000	1,966,000	291,000*
Municipal Affairs .....	755,100	794,350	39,250*
Public Works .....	4,098,000	2,384,600	1,713,400
Treasury .....	64,766,200	61,664,300	3,101,900
Total: Estimated Capital Receipts .....	<u>\$ 75,074,185</u>	<u>\$ 69,310,750</u>	<u>\$ 5,763,435</u>

## ESTIMATED EXPENDITURE — INCOME ACCOUNT

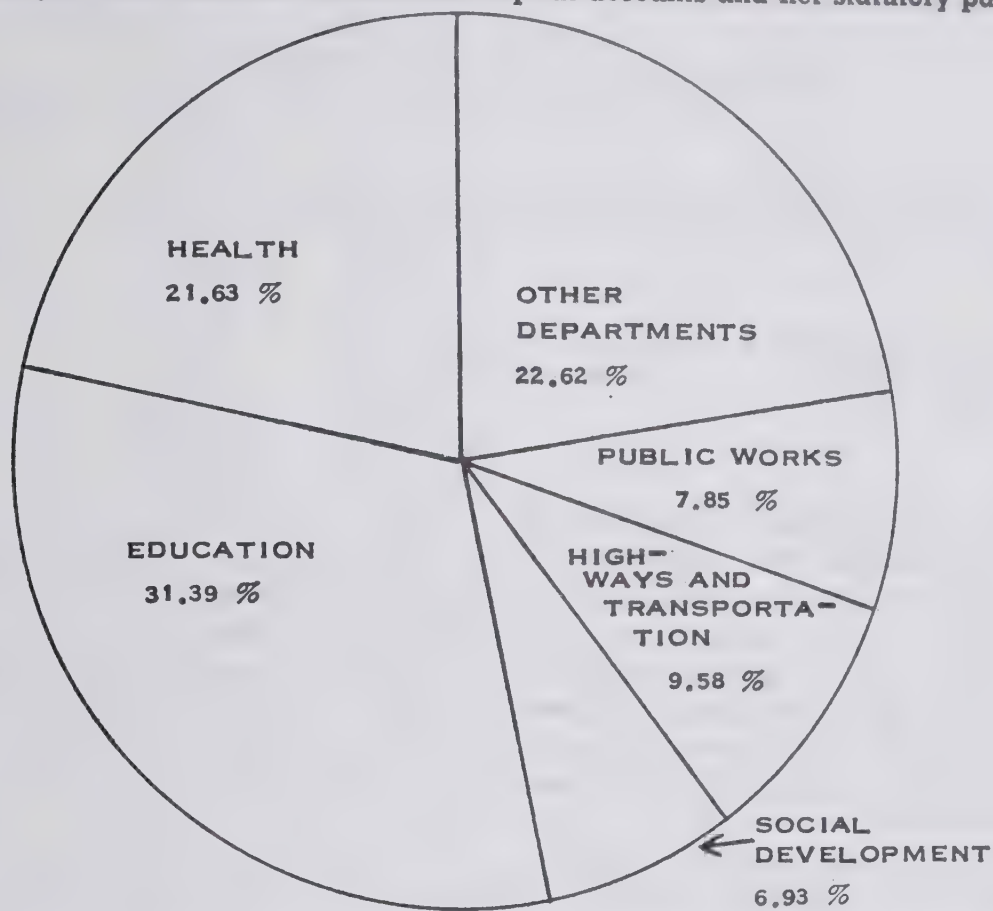
Department	Estimates 1969-70	Estimates 1968-69	Increase Decrease*
Agriculture .....	\$ 15,962,313	\$ 15,225,338	\$ 736,975
Attorney General .....	21,698,570	19,236,840	2,461,730
Education .....	272,028,095	232,848,470	39,179,625
Executive Council .....	14,249,026	11,291,509	2,957,517
Highways & Transportation .....	50,528,110	54,216,560	3,688,450*
Industry & Tourism .....	2,483,340	2,529,690	46,350*
Labour .....	3,535,400	3,199,700	335,700
Lands & Forests .....	17,159,360	14,672,220	2,487,140
Legislation .....	3,160,985	2,870,870	290,115
Mines & Minerals .....	2,155,400	2,033,030	122,370
Municipal Affairs .....	6,092,900	7,949,190	1,856,290*
Provincial Secretary .....	3,554,780	3,362,780	192,000
Public Debt .....	5,819,370	2,859,885	2,959,485
Health .....	211,328,640	193,639,225	17,689,415
Social Development .....	67,860,134	58,824,255	9,035,879
Public Works .....	29,270,290	27,496,550	1,773,740
Treasury .....	89,106,335	67,476,551	21,629,784
Youth .....	2,970,760	2,768,300	202,460
Total: Estimated Expenditure— Income Account .....	<u>\$818,963,808</u>	<u>\$722,500,963</u>	<u>\$ 96,462,845</u>

## ESTIMATED CAPITAL EXPENDITURE

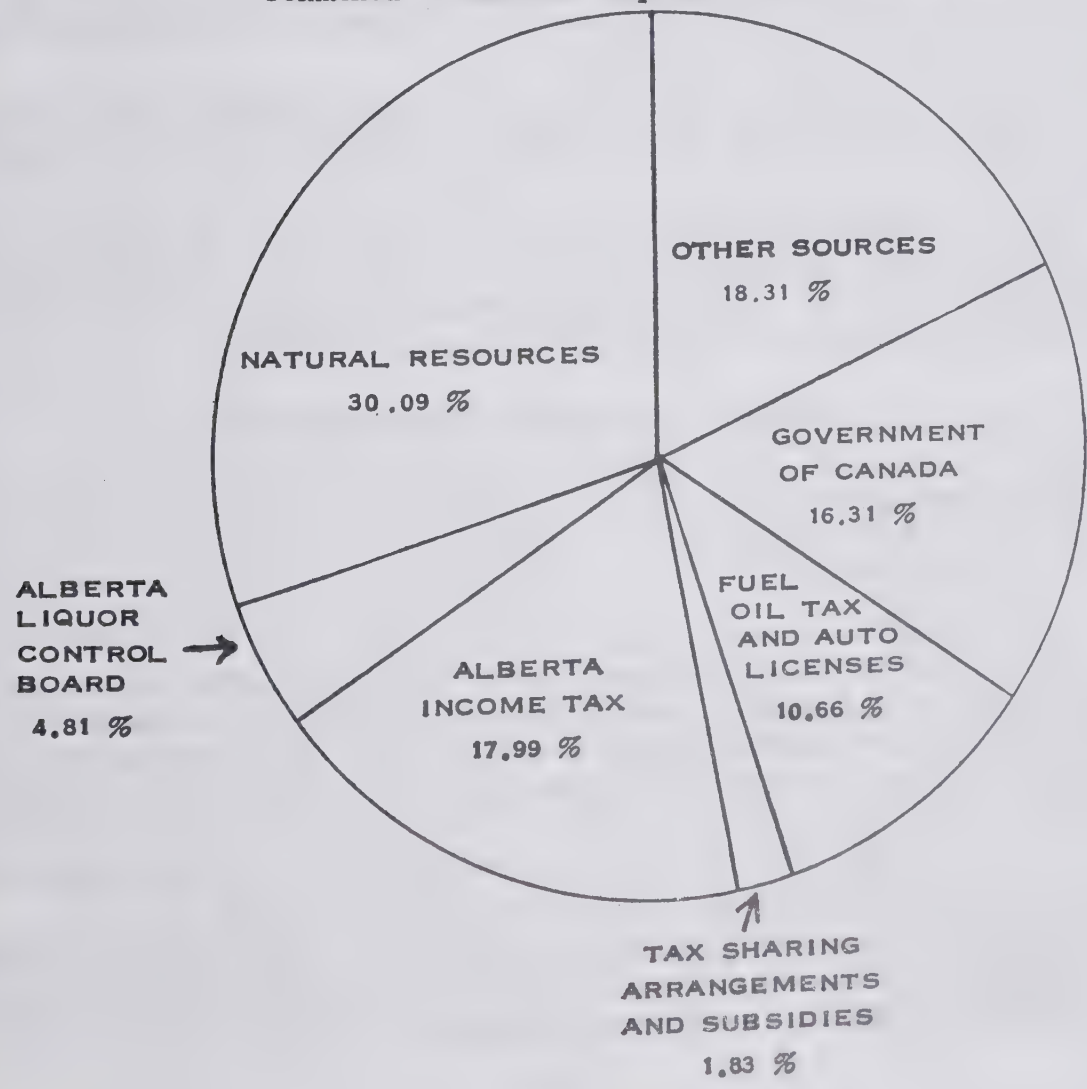
Department	Estimates 1969-70	Estimates 1968-69	Increase Decrease*
Agriculture .....	\$ 8,411,628	\$ 8,345,055	\$ 66,573
Education .....	35,400,000	42,400,000	7,000,000*
Executive Council .....	3,000,000	4,000,000	1,000,000*
Highways & Transportation .....	43,278,580	39,110,150	4,168,430
Lands & Forests .....	1,077,020	1,283,930	206,910*
Municipal Affairs .....	5,618,000	4,225,460	1,392,540
Health .....	500,000	1,500,000	1,000,000*
Public Works .....	47,578,239	52,273,927	4,695,688*
Treasury .....	485,000	35,000	450,000
Total: Estimated Expenditure— Capital Account .....	<u>\$145,348,467</u>	<u>\$153,173,522</u>	<u>\$ 7,825,055*</u>



Percentage of estimated expenditure by major departments for the fiscal year ending March 31, 1970—Combined income and capital accounts and net statutory payments.



Percentage of estimated revenue by source for the fiscal year ending March 21, 1970. Combined income and capital accounts.





I now draw your attention to the estimates for the various departments.

## DEPARTMENT OF AGRICULTURE

	1969-70	1968-69	Increase or Decrease*
<b>Estimated revenue:</b>			
Income account .....	\$ 5,519,500	\$ 5,553,345	\$ 33,845*
Capital account .....	2,881,885	1,361,000	1,520,885
	<u>\$ 8,401,385</u>	<u>\$ 6,914,345</u>	<u>\$ 1,487,040</u>
<b>Estimated expenditure:</b>			
Income account .....	\$ 15,962,313	\$ 15,225,338	\$ 736,975
Capital account .....	8,411,628	8,345,055	66,573
	<u>\$ 24,373,941</u>	<u>\$ 23,570,393</u>	<u>\$ 803,548</u>

The Department will continue its program of developing the Province's resources towards the improvement of our agriculture industry. ARDA projects to revive depressed areas, to prepare pasture lands, forest reserves and parks, and to conserve and control water resources will be vigorously carried on. A total amount of \$8,111,000 has been included in both income and capital appropriations for these programs, and we expect to receive \$3,296,990 in reimbursement from the Federal Government. A further capital sum of \$2,500,000 has been requested for development of water resource programs.

Income appropriations include sums to fully maintain our many services to assist farmers, and \$1,914,210 is required to provide for the expanding operations at the Agricultural and Vocational College at Olds, Vermilion, and Fairview. The comprehensive Crop Insurance Plan is expected to cost \$1,431,500 in administration and premiums for which a Federal reimbursement of \$1,021,750 will be received.

A new appropriation for the Irrigation Secretariat has been included at a cost of \$612,754 to provide funds for capital projects in irrigation districts.

Capital construction program in the Department of Public Works amounts to a total of \$3,638,000, including \$2,849,400 for additions and extensions to the Agricultural and Vocational Colleges, and \$370,000 for added space and utilities for the Tree Nursery at Oliver.

## ATTORNEY GENERAL'S DEPARTMENT

	1969-70	1968-69	Increase
<b>Estimated revenue:</b>			
Income account .....	\$ 8,162,000	\$ 7,378,700	\$ 783,300
<b>Estimated expenditure:</b>			
Income account .....	\$ 21,698,570	\$ 19,236,840	\$ 2,461,730

As a result of the Department's policy of rehabilitation and other improvements at its institutions and gaols, and with due appreciation for outside reports and recommendations, more than one million dollars additional funds have been placed in these appropriations, bringing the total amount to \$7,794,960.

Our agreement with the Federal Government for R.C.M.P. protection will cost \$5,243,640 compared to \$4,734,100 voted last year.

Revenue from land titles fees is expected to increase from \$2,800,000 to \$3,000,000 and statute fines are estimated at \$2,550,000, an increase of \$650,000 over the present year's estimate.



In the capital estimates of the Public Works Department \$3,352,750 has been provided for construction relative to the Attorney General's Department. Of this amount \$586,750 will be used to improve conditions at gaols and institutions and \$2,500,000 for the court house in Edmonton.

## DEPARTMENT OF EDUCATION

	1969-70	1968-69	Increase or Decrease*
<b>Estimated revenue:</b>			
Income account .....	\$ 49,209,730	\$ 35,890,640	\$ 13,319,090
<b>Estimated expenditure:</b>			
Income account .....	\$272,028,095	\$232,848,470	\$ 39,179,625
Capital account .....	35,400,000	42,400,000	7,000,000*
	<u>\$307,428,095</u>	<u>\$275,248,470</u>	<u>\$ 32,179,625</u>

As shown above the Department's estimated total direct contribution to education is \$307,428,095 for the next fiscal year. In addition the Department of Public Work's capital estimates include \$7,212,300 for construction at technical and vocational schools and \$2,982,435 for furnishings and equipment at these institutions. Further sums are in the Departments of Agriculture and Public Works for operational and capital costs with respect to the Agricultural and Vocational Schools in the amounts of \$1,914,210 and \$3,379,310 respectively. These estimated direct costs for education total \$322,916,350 or nearly one-third of our budget.

In the school year 1967-68 there were 385,972 pupils enrolled in our public school system, an increase of 6,079 over the previous year. Teachers on staff totalled 19,579 compared to 18,314 for the previous year.

The Province intends to increase its contribution to the School Foundation Fund by \$19,000,000 to a total of \$150,000,000, and a further sum of \$6,000,000 will be made available as additional grants to school boards. Commitments to teachers' pension funds will cost \$3,863,000.

Day enrolment at the Northern and Southern Alberta Institutes of Technology is presently 7,600 and is expected to increase to nearly 9,000 by the end of the year. Appropriations for the operation of these institutions total \$12,215,455.

An expansion of the Junior College system is planned and \$7,500,000 has been provided for operation and capital costs at these schools. Requests for assistance to students by way of grants and bursaries are rapidly increasing and \$5,497,540 has been appropriated for this purpose, \$2,000,000 more than the amount voted last year.

Full-time student enrolment now totals 23,000 at the Universities in Alberta, an increase of 4,350 over the previous year. The enrolment for next year is estimated to be 27,800 and the Province has provided operating grants at the rate of \$2,440 per student which comes to a total of \$67,832,000, compared to \$51,800,000 provided last year. In addition provision has been made for \$35,000,000 in capital grants for construction and equipment at the universities.

Pursuant to the arrangements with the Federal Government we will receive 50% of the operating costs of post-secondary education in the Province and a reimbursement of the cost of instruction with respect to occupational training of certain adults in the labor field. The Department



has estimated reimbursements of \$4,409,500 for manpower training and \$60,576,430 for post-secondary education costs. Of the latter amount \$19,071,000 has been included in revenue of the Treasury Department under receipts from The Alberta Income Tax Act, reflecting the portion that is being paid by means of a Federal abatement of 4% of personal income tax and 1% of corporate income, both of which have been incorporated into the rates in our Act. The remaining estimated reimbursement of \$41,505,430 is included in revenue for the Department of Education.

### EXECUTIVE COUNCIL

	1969-70	1968-69	Increase or Decrease*
<b>Estimated revenue:</b>			
Income account .....	\$ 17,600,395	\$ 20,303,850	\$ 2,703,455*
<b>Estimated expenditure:</b>			
Income account .....	\$ 14,249,026	\$ 11,291,509	\$ 2,957,517
Capital account .....	3,000,000	4,000,000	1,000,000*
	<u>\$ 17,249,026</u>	<u>\$ 15,291,509</u>	<u>\$ 1,957,517</u>

Revenue comes from contributions to the Public Service Pension Fund and the Local Authorities Pension Fund. Although both funds are growing, revenue has been reduced due to some large one-time payments received during the current year. Payments out of the funds are estimated to total \$7,400,000 for the coming year.

Pursuant to the development of our human resources, the three official bodies, namely: Human Resources Development Authority, Human Resources Research Council, and the Alberta Advisory Council have been organizing their program of encouraging and promoting the development of human resources throughout government departments. The Budget provides a total sum of \$902,770 for these three bodies compared to \$505,790 for the current year.

The Research Council of Alberta has been allotted \$2,969,961 and \$150,250 has been included in the capital estimates of the Public Works Department for additions and alterations at both centres in Edmonton.

The Northern Alberta Development Council has been primarily concerned with accelerating development of physical resources in northern areas, by construction of roads and air strips, flood control and other measures designed to improve conditions in these areas. Of the Government's total allocation of \$21,000,000 for these programs, \$4,000,000 remain, and it is proposed to allot \$3,000,000 for the coming year and the final million dollars in the following year.

### DEPARTMENT OF HIGHWAYS AND TRANSPORTATION

	1969-70	1968-69	Increase or Decrease*
<b>Estimated revenue:</b>			
Income account .....	\$ 25,055,700	\$ 23,956,700	\$ 1,099,000
Capital account .....	898,000	1,140,500	242,500*
	<u>\$ 25,953,700</u>	<u>\$ 25,097,200</u>	<u>\$ 856,500</u>
<b>Estimated expenditure:</b>			
Income account .....	\$ 50,528,110	\$ 54,216,560	\$ 3,688,450*
Capital account .....	43,278,580	39,110,150	4,168,430
	<u>\$ 93,806,690</u>	<u>\$ 93,326,710</u>	<u>\$ 479,980</u>



In order to provide a more appropriate name having regard to the responsibilities of the Department, legislation will be introduced to change its name to the Department of Highways and Transportation.

As indicated above the over-all departmental program will be maintained at much the same level as for the current year. The following table outlines this program:

### Maintenance, Grants and Administration

	1969-70	1968-69	Increase or Decrease*
Maintenance—main highways and bridges	\$ 11,732,470	\$ 11,621,720	\$ 110,750
Grants—construction and maintenance of bridges in municipalities .....	2,300,000	2,500,000	200,000*
Grants—construction and maintenance of roads in municipalities .....	15,600,000	15,950,000	350,000*
Grants—roads and structures in cities ....	12,500,000	16,000,000	3,500,000*
Grants—to improve roads in towns and villages .....	1,250,000	2,000,000	750,000*
Roads to Provincial Parks .....	1,100,000	1,000,000	100,000
Approach roads .....	700,000	1,000,000	300,000*
Motor Vehicle Branch .....	4,065,670	2,918,020	1,147,650
Administration .....	1,279,970	1,226,820	53,150
	<u>\$ 50,528,110</u>	<u>\$ 54,216,560</u>	<u>\$ 3,688,450*</u>

### Construction

	1969-70	1968-69	Increase or Decrease*
Main highways, bridges and ferries .....	<u>\$ 43,278,580</u>	<u>\$ 39,110,150</u>	<u>\$ 4,168,430</u>

Expenditure on income account is down due mainly to a reduced program of cost-shared structures planned in the cities for next year, while capital expenditures have been increased for construction on main highways and bridges.

The appropriation for the Motor Vehicle Branch is substantially up due to costs relating to the new vehicle-testing program.

Revenue of \$24,921,500 is expected from fees and licenses with respect to operators and vehicles.

In the capital estimates of the Public Works Department, a sum of \$1,718,950 has been provided, of which \$900,000 is to complete the Central Highways Testing Laboratory in Edmonton, and the balance for construction of shops and garages at various maintenance yards in the Province.

### DEPARTMENT OF INDUSTRY AND TOURISM

	1969-70	1968-69	Decrease
<b>Estimated revenue:</b>			
Income account .....	<u>\$ 387,000</u>	<u>\$ 795,000</u>	<u>\$ 408,000</u>
<b>Estimated expenditure:</b>			
Income account .....	<u>\$ 2,483,340</u>	<u>\$ 2,529,690</u>	<u>\$ 46,350</u>

The Department intends to intensify its research to develop the kind of information that would be of most assistance to industry, and extra



funds have been included in the appropriation for Industrial Development, to provide this service.

The Co-operative Activities Branch will continue to supervise co-operative utilities and gas-lines, and will recommend expansion of these activities where they are needed.

## DEPARTMENT OF LABOUR

	1969-70	1968-69	Increase
<b>Estimated revenue:</b>			
Income account .....	\$ 1,337,000	\$ 1,210,000	\$ 127,000
<b>Estimated expenditure:</b>			
Income account .....	\$ 3,535,400	\$ 3,199,700	\$ 335,700

Heavy demands are placed on the Board of Industrial Relations to arbitrate the ever increasing number of negotiations involving management and labour, and additional funds have been included to permit this board to meet these demands.

With our growth in industry larger appropriations are required to inspect utility installations.

## DEPARTMENT OF LANDS AND FORESTS

	1969-70	1968-69	Increase or Decrease*
<b>Estimated revenue:</b>			
Income account .....	\$ 10,744,200	\$ 7,971,000	\$ 2,773,200
Capital account .....	1,675,000	1,966,000	291,000*
	\$ 12,419,200	\$ 9,937,000	\$ 2,482,200
<b>Estimated expenditure:</b>			
Income account .....	\$ 17,159,360	\$ 14,672,220	\$ 2,487,140
Capital account .....	1,077,020	1,283,930	206,910*
	\$ 18,236,380	\$ 15,956,150	\$ 2,280,230

Expanding utilization of our surface natural resources for both industrial and recreational purposes requires a high standard of management and conservation, particularly with regard to our forests. To achieve this we have provided very substantial amounts in the estimates for the Department: \$10,801,380 for our forests; \$2,517,000 for Provincial Parks; and \$1,703,-670 for our Fish and Wildlife Branch.

Revenue from timber fees and dues has been substantially increased from \$3,370,000 to \$5,250,000 due to anticipated better markets and prices and to the new quota system of leasing.

Construction at a number of forest stations, and development of provincial parks will require \$905,350, with a further sum of \$575,000 to build a parks shop in Edmonton, all of which is included in the Public Works capital appropriation.

## LEGISLATION

	1969-70	1968-69	Increase
<b>Estimated revenue:</b>			
Income account .....	\$ 750,000	\$ 421,070	\$ 328,930
<b>Estimated expenditure:</b>			
Income account .....	\$ 3,160,985	\$ 2,870,870	\$ 290,115



Increased appropriations are required for Members' Sessional Indemnities and expenses, and for the Provincial Auditor's office and Data Processing Centre.

Revenue comes from fees for audit and computer services mainly with respect to Crown Corporations and Government Boards.

DEPARTMENT OF MINES AND MINERALS

	1969-70	1968-69	Increase
<b>Estimated revenue:</b>			
Income account .....	\$272,893,500	\$242,768,500	\$ 30,125,000
<b>Estimated expenditure:</b>			
Income account .....	\$ 2,155,400	\$ 2,033,030	\$ 122,370

Increased interest and prices for petroleum and natural gas Crown leases and reservations, particularly with respect to natural gas reservations, justify an upward revision of receipts from this source, and we have estimated an increase of \$20,000,000 to a total of \$105,000,000. Continuing increase in production and sales of petroleum and natural gas means higher revenues from royalties, and we anticipate an additional \$10,000,000 to bring the total to \$112,000,000.

DEPARTMENT OF MUNICIPAL AFFAIRS

	1969-70	1968-69	Increase or Decrease*
<b>Estimated revenue:</b>			
Income account .....	\$ 13,674,470	\$ 15,251,060	\$ 1,576,590*
Capital account .....	755,100	794,350	39,250*
	\$ 14,429,570	\$ 16,045,410	\$ 1,615,840*
<b>Estimated expenditure:</b>			
Income account .....	\$ 6,092,900	\$ 7,949,190	\$ 1,856,290*
Capital account .....	5,618,000	4,225,460	1,392,540
	\$ 11,710,900	\$ 12,174,650	\$ 463,750*

Appropriations for The Alberta Housing Act have been increased on both income and capital accounts, with \$1,482,310 required for operating expenses and \$5,618,000 for capital purposes. The Alberta Housing and Urban Renewal Corporation, which administers the Act has entered into a number of agreements with municipalities involving urban renewal and housing. The eventual implementation of many of these schemes will involve much more money from Central Mortgage and Housing Corporation than is included in our estimates. The Corporation, with C.M.H.C. participation, is also concerned with housing for students, Senior Citizens, Metis and Government staff.

Federal termination of the Municipal Winter Works Incentive Program has resulted in a reduction of expenditures and reimbursements for the Department.

The main source of revenue is \$11,800,000 expected to be received from the 4 mill levy representing the municipalities' contribution to the hospital insurance plan.



## PROVINCIAL SECRETARY'S DEPARTMENT

	1969-70	1968-69	Increase
<b>Estimated revenue:</b>			
Income account .....	\$ 82,911,750	\$ 77,178,810	\$ 5,732,940
<b>Estimated expenditure:</b>			
Income account .....	\$ 3,554,780	\$ 3,362,780	\$ 192,000

Revenue under The Fuel Oil Tax Act is expected to increase by \$5,000,000 to a total of \$75,500,000. Taxes collected from The Insurance Corporation Tax and the pari-mutuel tax are estimated to be \$4,300,000 and \$1,900,000 respectively, both of which indicate satisfactory increases over the current year's estimates.

Capital expenditures from the Public Works Vote will amount to \$97,000 to take care of necessary work at the Provincial Auditoriums and Provincial Museum and Archives.

### PUBLIC DEBT

	1969-70	1968-69	Increase
<b>Estimated expenditure:</b>			
Income account .....	\$ 5,819,370	\$ 2,859,885	\$ 2,959,485

As seen above our debt charges will increase substantially next year. Temporary borrowings will be required during the first part of the year when large expenditures out-strip our revenue. In addition we have borrowed by the sale of \$30,000,000 debentures in the United States. The resulting added interest charges account for the large increase in our vote for debt charges.

We will redeem \$1,785,500 debentures which will mature during the year.

The following table shows our net direct and guaranteed debt at March 31, 1968:

	March 31, 1968	March 31, 1967	Increase
Net direct debt .....	\$ 48,809,605	\$ 47,842,535	\$ 967,070
Net guaranteed debt:			
Alberta Municipal Financing Corporation .....	563,970,028	460,088,455	103,881,573
Alberta Government Telephones Commission .....	248,483,427	193,566,937	54,916,490
Alberta Resources Railway Corporation .....	25,000,000	—	25,000,000
Alberta Universities Commission .....	20,000,000	—	20,000,000
Other guarantees .....	10,509,465	9,621,863	887,602
	<u>\$916,772,525</u>	<u>\$711,119,790</u>	<u>\$205,652,735</u>

Our reserves amounted to \$512,000,000 at March 31, 1968, consisting of \$274,000,000 in various loans and advances, and \$238,000,000 in cash, and investments in Federal and Provincial securities.

### DEPARTMENT OF HEALTH

	1969-70	1968-69	Increase or Decrease*
<b>Estimated revenue:</b>			
Income account .....	\$ 76,858,200	\$ 68,103,350	\$ 8,754,850
<b>Estimated expenditure:</b>			
Income account .....	\$211,328,640	\$193,639,225	\$ 17,689,415
Capital account .....	500,000	1,500,000	1,000,000*
	<u>\$211,828,640</u>	<u>\$195,139,225</u>	<u>\$ 16,689,415</u>



The Department of Public Works' estimates includes \$4,680,000 for construction at Provincial hospitals and \$425,134 for furnishings and equipment. Added to the above cost of health services of \$211,828,640, the total estimated expenditure for health is \$216,933,774 or 22% of our budget.

Additional beds and rising costs account for an increase of \$16,236,315 for hospital services to a total estimate of \$147,355,640 for the appropriation.

The Alberta Health Plan has grown rapidly in its first year of operation. At the completion of the year on July 1, 1968, there were 153,706 contracts in force covering 376,991 persons. Of these contracts 129,306 covering 315,797 persons were subsidized and 24,400 covering 61,194 person were paying full premiums. The estimates include \$22,000,000 to pay for subsidies and expenses in our next fiscal year compared to \$17,-447,400 estimated for the current year.

For the care of the mentally ill we have appropriated a total sum of \$22,760,980 compared to \$20,447,500 estimated last year, and \$1,200,000 has again been requested for professional services at the new cancer hospital.

A large portion of the Department's revenue comes from Federal reimbursements through cost-sharing services, the main item being \$64,393,750 with respect to the hospital insurance plan.

## DEPARTMENT OF SOCIAL DEVELOPMENT

	1969-70	1968-69	Increase
<b>Estimated revenue:</b>			
Income account .....	\$ 31,651,670	\$ 26,825,700	\$ 4,825,970
<b>Estimated expenditure:</b>			
Income account .....	\$ 67,860,134	\$ 58,824,255	\$ 9,035,879

Legislation will be introduced at this Session to change the name of the Department of Public Welfare to the Department of Social Development. In keeping with the new name emphasis will be placed on rehabilitating and developing, to the greatest possible extent, those people in less fortunate circumstances, into resourceful and self-supporting persons.

The extent of our welfare programs for the coming year can be seen from the following table:

	1969-70	1968-69	Increase or Decrease*
Public Assistance .....	\$ 43,176,100	\$ 36,111,200	\$ 7,064,900
Child welfare .....	7,381,839	6,529,940	851,899
Pensions and allowances .....	3,806,500	5,112,000	1,305,500*
Rehabilitation .....	1,288,850	763,155	525,695
Grants to municipalities .....	4,580,000	3,830,000	750,000
Welfare homes and hostels .....	2,033,385	1,632,820	400,565
Administration and other welfare services .....	5,593,460	4,845,140	748,320
	\$ 67,860,134	\$ 58,824,255	\$ 9,035,879

The cost of the above programs is shared with the Federal Government, and the revenue is derived from that source.

The capital estimates of the Department of Public Works contains \$1,889,000 for construction at various welfare centres in the Province including \$1,163,500 for homes for Senior Citizens.



## DEPARTMENT OF PUBLIC WORKS

	1969-70	1968-69	Increase or Decrease*
<b>Estimated revenue:</b>			
Income account .....	\$ 2,264,075	\$ 2,040,390	\$ 223,685
Capital account .....	4,098,000	2,384,600	1,713,400
	<u>\$ 6,362,075</u>	<u>\$ 4,424,990</u>	<u>\$ 1,937,085</u>
<b>Estimated expenditure:</b>			
Income account .....	\$ 29,270,290	\$ 27,496,550	\$ 1,773,740
Capital account .....	47,578,239	52,273,927	4,695,688*
	<u>\$ 76,848,529</u>	<u>\$ 79,770,477</u>	<u>\$ 2,921,948*</u>

Recognizing the need for restraint in public expenditures we have again limited construction of public buildings to meet only essential needs. The following table shows the complete capital program planned for the Department next year:

1. Department of Agriculture:	
Agricultural and Vocational Colleges .....	\$ 2,849,000
Tree Nursery, Oliver .....	370,000
Peace River Regional Veterinary Laboratory .....	280,000
Other .....	139,000
2. Attorney General's Department:	
Institutions .....	586,750
Court House, Edmonton .....	2,500,000
Other .....	266,000
3. Department of Education:	
Institutes of Technology .....	2,834,300
Industrial and Training Schools .....	4,378,000
4. Executive Council:	
Alberta Research Council .....	150,250
Oil Core Storage Building, Calgary .....	45,000
5. Department of Highways and Transportation:	
Central Highways Testing Laboratory, Edmonton .....	900,000
Maintenance shops, garages, etc. ....	818,950
6. Department of Lands and Forests:	
Provincial Parks Shops, Edmonton .....	575,000
Forestry and parks facilities .....	905,350
7. Department of Municipal Affairs	
Miscellaneous .....	35,000
8. Provincial Secretary's Department:	
Provincial auditoriums and museum .....	97,000
9. Department of Health:	
Alberta hospitals and institutions .....	4,576,500
Other .....	103,500
10. Department of Social Development:	
Senior Citizens' Homes .....	1,163,500
Diagnostic and Treatment Centre, Edmonton .....	500,000
Other welfare centres and homes .....	225,500
11. Treasury Department:	
Queen's Printer Building .....	500,000
Treasury Branches .....	886,000
12. Department of Youth:	
Recreational centres .....	226,000
13. Department of Public Works:	
Utilities in university area .....	4,500,000
Health Sciences Centres, Edmonton and Calgary .....	602,000
Edmonton Regional water pipeline .....	2,200,000
Provincial Buildings .....	3,893,500
Designing, landscaping, roads, etc. ....	3,250,000
Total for estimated construction of buildings .....	\$ 40,356,100
Furnishings and equipment for all public buildings .....	7,222,139
Total—Department of Public Works—	
Capital Estimates .....	<u>\$ 47,578,239</u>



In the income account section of the Department, appropriations totalling \$26,285,290 have been provided for the maintenance of all public buildings and power plants. Grants to municipalities in lieu of taxes on public buildings will require \$2,700,000, and provision has been made for further grants of \$285,000 for municipal police buildings and swimming pools.

## TREASURY DEPARTMENT

	1969-70	1968-69	Increase
<b>Estimated revenue:</b>			
Income account .....	\$270,946,915	\$217,568,460	\$ 53,378,455
Capital account .....	64,766,200	61,664,300	3,101,900
	<u>\$335,713,115</u>	<u>\$279,232,760</u>	<u>\$ 56,480,355</u>
<b>Estimated expenditure:</b>			
Income account .....	\$ 89,106,335	\$ 67,476,551	\$ 21,629,784
Capital account .....	485,000	35,000	450,000
	<u>\$ 89,591,335</u>	<u>\$ 67,511,551</u>	<u>\$ 22,079,784</u>

Receipts from The Alberta Income Tax Act are expected to amount to \$172,500,000, an increase of \$37,500,000 over last year's estimate. This increase is due to growth in taxable income which accounts for \$21,000,000 of the increase, and to an additional levy of five percentage points on personal income tax and one percent of corporate taxable income to become effective on July 1, 1969, estimated to yield \$16,500,000 for the nine months remaining in the fiscal year.

A further additional source of revenue will come from a new tobacco tax Act to be introduced at this Session. The new Act will levy taxes at the retail level on cigarettes, cigars and tobacco at rates equivalent to approximately 16%, or a little higher in some instances. The tax will become effective in July or August and is expected to yield \$6,000,000 for that period remaining in the fiscal year.

Interest on invested reserves will decline from \$16,382,960 to \$13,980,415, due to a reduction in those reserves. Liquor profits are expected to increase by \$3,811,000 to \$45,311,000. Gross estimated profits from operations of the Treasury Branches are \$14,100,000, with expenditures of \$11,428,310, resulting in a net profit of \$2,671,690.

Estate taxes remitted to us by the Federal Government are expected to total \$7,000,000 and under our Estate Tax Rebate Act we have included an appropriation to refund a like amount to the estates of deceased Alberta residents.

Refunds of income tax paid by public utility companies in Alberta are expected to commence next year, such refunds to be paid back to the companies for the benefit of their consumers by means of a discount on their utility bills. The first rebate of Federal income tax from those companies with respect to the 1966 taxation year will likely be received next month, and during 1969 we plan to refund all 1966 income taxes received by the Province on account of private utility companies from their sales and distribution operations, back to those companies provided they pass the benefit on to their current customers. The full amount to be rebated back to the companies next year is estimated to be \$8,000,000.

Unconditional grants equal to one-third of our revenue from royalties on petroleum and natural gas during the previous calendar year, and amounting to \$33,773,845, will be paid to municipalities next year. This compares with \$30,904,830 paid during the current year.

The homeowner's tax discount of \$50.00 on the taxes on eligible residences in Alberta will cost an estimated total amount of \$13,254,300.

Capital receipts include the proceeds from the sale of \$25,000,000 Alberta Universities Commission Debentures and \$20,000,000 Alberta Resources Railway Corporation Debentures to reimburse the government for grants and advances made to those bodies.

In addition to the estimates to be authorized under The Appropriation Act, certain payments will be made under statutory authority. These are estimated to total \$15,000,000 and include \$10,000,000 for loans to municipalities for the acquisition of land for urban renewal and controlled streets as provided in The Municipal Land Loans Act, and \$3,500,000 in loans to complete the Alberta Resources Railway.

## DEPARTMENT OF YOUTH

	1969-70	1968-69	Increase or Decrease*
<b>Estimated revenue:</b>			
Income account .....	\$ 159,170	\$ 189,050	\$ 29,880*
<b>Estimated expenditure:</b>			
Income account .....	\$ 2,970,760	\$ 2,768,300	\$ 202,460

Total estimated expenditures have been moderately increased to enable the Department to continue the programs towards the development of youth activities which it organized in its first two years of existence.

Emphasis will again be placed on recreational activities throughout the Province through participation with municipal authorities.

In the Department of Public Works, \$226,000 has been provided to construct camps to encourage outdoor education and recreation.

## MUNICIPAL ASSISTANCE

A statement of assistance to municipalities follows this speech and in it you will note that total direct and indirect assistance will increase by more than thirty million dollars to a total of \$359,820,370 or nearly 37% of our total budget.

The Province's contribution to the School Foundation Fund and other school grants will increase from \$135,998,500 to \$156,198,500, and unconditional grants under The Municipal Assistance Act will be \$2,869,015 higher at \$33,773,845. Reflecting the closing out of the cost-sharing program with the Federal Government of constructing vocational schools, the grants for this purpose have been substantially reduced to less than one million dollars. For the most part, construction of these schools will now be financed in the same manner as for other public schools.

Under assistance by Loans the amount to be made available under The Municipal Land Loans Act has been more than doubled to a total of \$10,000,000.



The last column of the statement points up the very large totals which accumulate over a number of years in the cost of substantial programs, the total assistance, other than Loans, being in excess of \$2.6 billion.

## CONCLUSION

In concluding this Speech I wish to pay tribute to our former Premier, the Honourable Ernest C. Manning P.C., and to his monumental record of service to the people of Alberta over a period of more than thirty-three years.

A truly great leader of our country, Mr. Manning won and held the confidence of the people of Alberta over and over again and succeeded in bringing enduring political stability with rapid economic development and prosperous conditions to a "have-not" Province that was nearly bankrupt in 1935.

The Provincial debt reorganization program which Mr. Manning completed in 1945 placed Alberta in a very strong financial position.

The policies which he established and promoted for the orderly development of our petroleum and natural gas resources brought massive investments, created numerous large new industries and poured more than \$2,500,000,000 into the coffers of the Province for the benefit of all citizens during the past twenty years.

In more recent times Mr. Manning concentrated his efforts on expanding and improving programs of social services for the people of the Province with visible and tangible results that can be seen everywhere in Alberta today.

The enlightened and dedicated leadership which Mr. Manning provided for so many years and the policies and programs which he launched and carried forward with such outstanding success are the key factors which make possible the record Budget which I am able to present today.

Mr. Manning's work and achievements for Alberta are the solid foundation upon which we can now move forward with confidence and optimism into a bright new era.

Mr. Speaker, I move that you do now leave the Chair.

# PROVINCIAL ASSISTANCE TO MUNICIPALITIES FOR THE TWENTY YEARS ENDING MARCH 31, 1951, TO MARCH 31, 1970

		Total 17 Years Apr. 1/50 to Mar. 31/67		Actual 1967-68	1968-69 Revised Estimated	1969-70 Estimated	Total 20 Years
DIRECT FINANCIAL ASSISTANCE		Actual					
1. Education:							
	Operational Grants to Schools	\$ 680,981,335		\$ 120,469,019	\$ 135,998,500	\$ 156,198,500	\$1,093,647,354
	Construction Grants to Schools	93,007,700		—	—	—	93,007,700
	Construction Grants to Technical Schools (net)	24,826,276		6,979,556	6,500,000	776,000	39,081,832
	Grants to Teachers' Retirement Fund	6,587,561		1,667,446	1,700,000	2,000,000	11,955,007
	Employer's contribution to Canada Pension Plan	1,288,243		1,731,318	1,665,000	1,863,000	6,547,561
	Grants in lieu of Free Readers	—		—	—	450,000	450,000
2. Health:							
	Hospital Construction Grants	17,269,814		3,482,985	2,600,000	—	23,352,799
	Health Service Grants	8,065,682		1,289,708	1,571,800	1,936,200	12,863,390
3. Highways:							
	Grants for roads, bridges and other structures	217,809,780		26,628,275	35,685,000	31,692,000	311,815,055
4. Treasury:							
	Grants in lieu of Taxes	8,710,961		2,123,523	2,500,000	2,700,000	16,034,484
	Municipal Assistance Grants	202,534,183		25,085,204	30,904,830	33,773,845	292,298,062
	Grants to Police Stations	1,249,593		48,846	90,000	250,000	1,638,439
5. Attorney General's:							
	Remission of fines collected under The Alberta Liquor Act	3,046,983		1,210	—	—	3,048,193
6. Public Welfare:							
	Indigent Relief	31,172,603		3,330,180	3,830,000	4,580,000	42,912,783
7. Lands and Forests:							
	Refunds of cultivation and grazing leases	7,282,656		72,759	60,170	60,000	7,475,585
8. Provincial Secretary:							
	Recreation Grants	4,097,332		—	—	—	4,097,332
	Centennial Grants	1,104,940		779,146	25,000	—	1,909,086
9. Municipal Affairs:							
	Winter Works Incentive Program	9,854,746		1,200,930	1,340,000	—	12,395,676
10. Youth:							
	Recreation Grants	44,964		121,943	1,290,686	1,307,400	2,764,993
	TOTAL: Direct Financial Assistance	\$1,318,935,352		\$ 195,012,048	\$ 225,760,986	\$ 237,586,945	\$1,977,295,331
Indirect Financial Assistance:							
	General Hospitalization for all residents and medical services for Pensioners, Polio, Cancer, etc.	\$ 383,058,607		\$ 89,460,549	\$ 103,313,775	\$ 122,233,425	\$ 698,066,356
	TOTAL: Direct and Indirect Financial Assistance	\$1,701,993,959		\$ 284,472,597	\$ 329,074,761	\$ 359,820,370	\$2,675,361,687
Assistance By Loans:							
	1. Self Liquidating Projects Act	\$ 21,994,279		—	—	—	\$ 21,994,279
	2. Municipal Capital Expenditures Loans Act	125,000,000		—	—	—	125,000,000
	3. Municipal Land Loans Act	—		3,195,515	3,560,880	10,000,000	16,756,395
	4. Other Municipal Loans	70,236,566		2,832,300	462,284	1,000,000	74,531,150
	5. School Construction Loans	82,638,963		—	—	—	82,638,963
	TOTAL: Assistance By Loans	\$ 299,869,808		\$ 6,027,815	\$ 4,023,164	\$ 11,000,000	\$ 320,920,787



GROSS VALUE OF AGRICULTURAL PRODUCTION IN  
ALBERTA FOR 1967

	1967	
	Production Bushels	Value Dollars
<b>FIELD CROPS:</b>		
Wheat .....	145,000,000	246,500,000
Oats for Grain .....	80,000,000	52,000,000
Barley .....	134,000,000	134,000,000
Rye .....	3,100,000	3,348,000
Mixed Grain .....	13,000,000	11,700,000
Flaxseed .....	1,700,000	5,236,000
Rapeseed .....	12,200,000	25,010,000
Mustard Seed .....	1,539,000	3,540,000
Potatoes .....	5,336,000	9,760,000
	Tons	
Sugar Beets .....	434,080	7,813,000
Tame Hay .....	4,000,000	72,000,000
Other Field Crops .....		15,516,000
TOTAL VALUE of Field Crops .....		586,423,000

<b>LIVESTOCK:</b>		
	Number	
Cattle .....	963,444	217,202,000
Calves .....	166,624	18,041,000
Sheep and Lambs .....	124,038	2,134,000
Hogs .....	1,848,845	79,569,000
TOTAL VALUE Livestock .....		316,946,000

<b>LIVESTOCK PRODUCTS:</b>		
Dairy Products .....	\$	61,565,000
Poultry Products .....		33,125,000
Honey and Wax .....		2,751,000
Wool .....		597,000
Fur Farming .....		2,735,000
Other Livestock Products .....		2,691,000
TOTAL VALUE of Livestock Products .....		103,464,000
TOTAL VALUE: Field crops, livestock and livestock products .....		\$1,006,833,000

OTHER STATISTICS

	1967 (final)	1968 (preliminary)
Retail Trade .....	\$ 1,870,002,000	2,025,000,000
Value of Manufacturing Shipments .....	\$ 1,521,000,000	1,644,000,000
Electricity—Net Generated .....	K.W. Hrs. 6,797,845,000	7,600,000,000
Value of Building Permits Issued .....	\$ 386,399,759	466,885,754
Bank Debits .....	\$ 35,243,313,000	42,300,000,000
Motor Vehicles Licensed .....	No. 718,162	754,449
Gravel or Surfaced Roads and Highways .....	Miles 61,328	62,746
Population—June 1st .....	No. 1,490,000	1,526,000
Number of Schools Rooms in Operation—June 30th .....	No. 14,232	14,889
Visitors to National Parks .....	No. persons 3,371,467	3,721,634

## NATURAL RESOURCES

1967 (final)			1968 (preliminary)	
	Production	Value \$	Production	Value \$
Crude Oil and Equivalent .. Bbls.	259,658,895	663,440,460	282,500,000	723,500,000
Propane ..... Bbls.	12,848,479	21,032,411	14,600,000	21,200,000
Butane ..... Bbls.	8,345,683	11,775,533	9,600,000	12,800,000
Marketed Gas ..... Mcf.	959,944,252	145,561,659	1,100,000,000	165,500,000
Sulphur ..... Long Tons	2,116,122	64,950,842	2,900,000	84,000,000
TOTAL Oil, Gas and Gas Products .....		906,760,905		1,007,000,000
Coal ..... Tons	3,601,559	12,418,414	3,879,485	12,324,245
Salt ..... Tons	126,135	1,827,422	127,892	1,976,000
Cement ..... Tons	885,463	17,362,618	799,800	16,193,000
Lime ..... Tons	62,821	1,142,619	71,043	1,266,364
Sand and Gravel ..... Tons	14,187,340	11,928,771	13,052,578	11,687,734
Stone ..... Tons	141,509	567,037	142,037	620,300
Clay Products ..... Tons	—	4,117,469	—	4,440,874
Gold and Silver ..... Oz.	160	5,536	110	3,794
Forestry (Crown Lands) Production—Lumber ..... F.B.M.	300,000,000	17,250,000	308,000,000	17,870,000
Total Value of Lumber and Other Forestry Products .....	—	23,680,000	—	22,198,000
Fur Wild Life ..... No. Pelts	797,896	1,783,666	820,704	1,520,347
Commercial Fishing ..... Lbs.	9,912,027	1,426,364	12,450,000	1,575,000



















